



USAID | **SERBIA**
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ANNUAL ASSISTANCE OBJECTIVES AND INTERMEDIATE RESULTS REPORT #1

SUSTAINABLE LOCAL DEVELOPMENT PROJECT IN SERBIA

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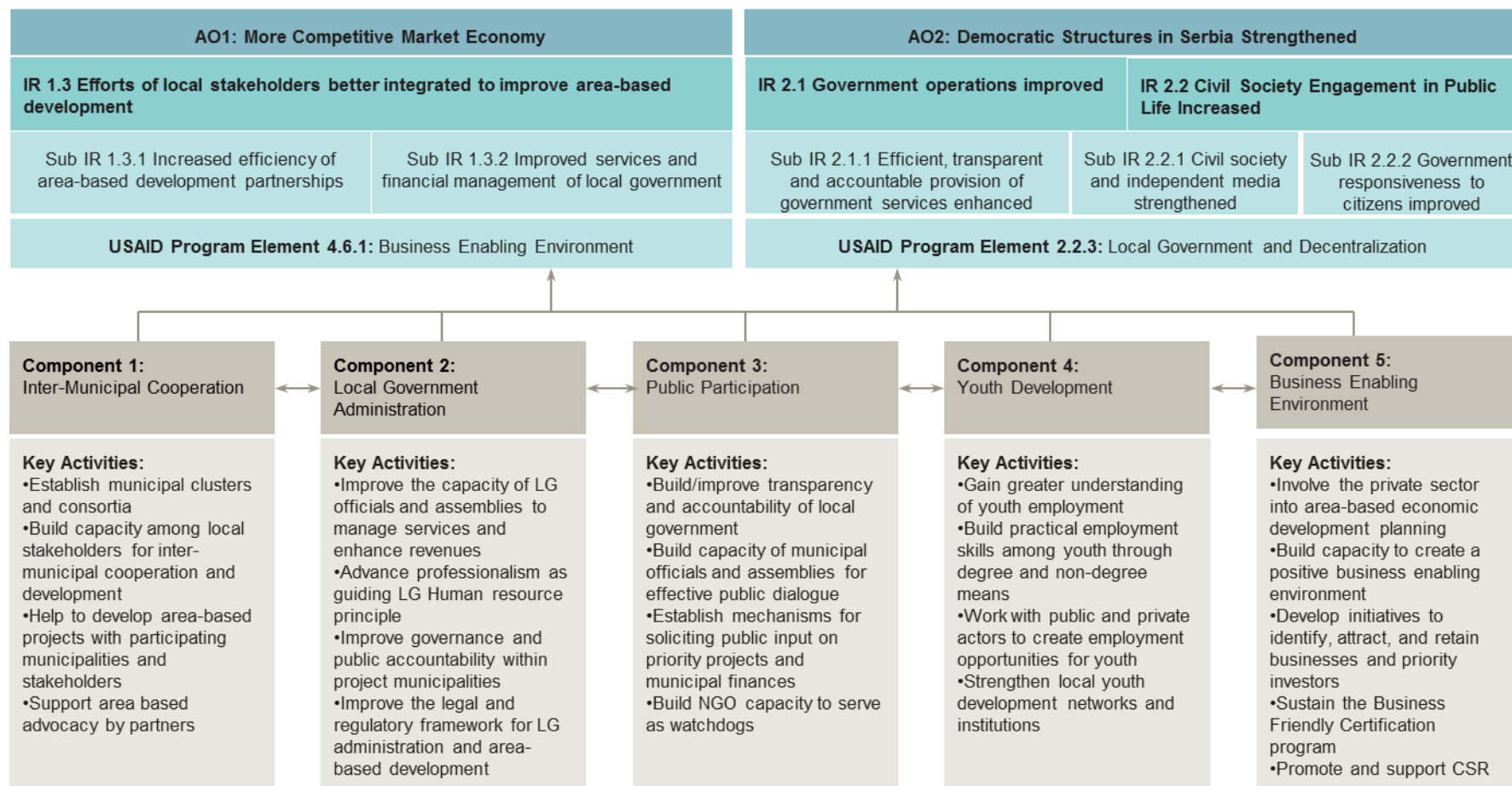
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LIST OF ACRONYMS

AO	Assistance Objective
BFC	Business Friendly Certification
CAC	Citizen Assistance Center
CeSID	Center for Free Elections and Democracy
COP	Chief of Party
COTR	Contract's Officer Technical Representative
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
GGM	Good Governance Matrix
GoS	Government of Serbia
IPA	Instrument for Pre-Accession Assistance (European Union)
IR	Intermediate Result
LED	Local Economic Development
LG	Local Government
M&E	Monitoring and Evaluation
NALED	National Alliance for Local Economic Development
NES	National Employment Service
PMP	Performance Monitoring Plan
PPP	Public Private Partnership
RDA	Regional Development Agency
SAA	Stabilization and Association Agreement
SCTM	Standing Conference of Towns and Municipalities
SLAP	System for Local Authority investment Pipeline (hosted by SCTM), a database hosted by SCTM to assist municipalities identify and document their infrastructure projects and possible funding sources
SLGRP	Serbia Local Governments Reform Program
USAID	United States Agency for International Development

USAID's Sustainable Local Development Project in Serbia - Activity Framework



1. INTRODUCTION

1.1. About the Project's Performance Monitoring Plan

Project Goal: Sustainable local development stimulated in a transparent, participatory manner that creates economic opportunities for all regardless of age, gender, or ethnicity by (1) enhancing local governments' (LGs) capacities to improve services and the business-enabling environment and (2) improving stakeholders' capacities to engage constructively with local and national government.

To reach this goal and objectives, the Project plans implementation of activities through five components:

- Component 1: Inter-Municipal Cooperation
- Component 2: Local Government Administration
- Component 3: Public Participation
- Component 4: Youth Development
- Component 5: Business-Enabling Environment

The Performance Monitoring Plan (PMP) for USAID's Sustainable Local Development in Serbia project was developed in February 2011, revised in April, and approved by the USAID COTR on May 10, 2011.

The main purpose of the PMP is to provide a mechanism to keep track of the implementation progress, indicator definitions, methods of data collection, and targets over the five-year life of the project. The reporting should reflect Project activities on output, outcome, and impact levels. It should serve as a performance measurement tool for the Project and help the USAID Mission to monitor implementation against the schedule and targets, to evaluate the level of impact produced by the activities, and to support the Mission's performance reporting system.

The Sustainable Local Development in Serbia project will contribute to USAID/Serbia Activity Objectives (AOs):

- A01: More Competitive Market Economy, and*
- A02: Democratic Structures in Serbia Strengthened.*

In addition, the Project will contribute to the following Intermediate Results (IRs):

IR 1.3: Efforts of local stakeholders better integrated to improve area-based development, with indicators:

- Sub IR 1.3.1 Number of business friendly municipalities, and
- Indicator 1.3.2 Number of inter-municipal projects in SLAP system rated as fully prepared.
- Sub IR: 1.3.1 Increased efficiency of area-based development partnerships, with indicators:
 - Indicator 1.3.1.1 Number of public services in support of business development, and
 - Indicator 1.3.1.2 Number of PPPs in delivery of public services.
- Sub IR: 1.3.2 Improved services and financial management of local governments, with indicator:
 - Indicator 1.3.2.1 Improvement in the municipal budget operating surplus available to fund capital investments.

I.R. 2.1: Government operations improved, with

Sub IR 2.1.1: Efficient, transparent and accountable provision of government services enhanced, and indicator:

Indicator 2.1.1.2 Number of municipalities where users report improvement in local government services, and

Indicator 2.1.1.5 Number of partner municipalities implementing mechanisms to improve management practices including a performance based monitoring system.

In addition, the PMP consists of another 28 project activity indicators around the five technical components.

More details can be found in the Project's Performance Monitoring Plan.

1.2. Purpose of the Annual AO and IR Report

The Annual AO and IR Report is the first annual PMP status report of the program indicators and presents the indicators' baseline status.

At the time of submitting the PMP for the project, the USAID Mission to Serbia was in the process of fine-tuning its Performance Management Plan. The Project team made several suggestions for indicator definitions at the Sub-IR level, and attempted to adopt its reporting mechanisms to the needs of the Mission.

The initial steps towards the collection of baseline data for performance indicators began in August 2011. The data will be used to track progress over time and will serve to build consensus about expected results among Project staff and counterparts. The baseline assessment combined desk research and field assessments. For the desk research, the Project used information from the municipalities' applications submitted for participation in the project and data from external sources such as web sites, municipal finances from the Standing Conference of Towns and Municipalities (SCTM), USAID, and individual memory of the Project staff. Field visits were conducted by the Project team, mostly by regional Project offices and the information management assistant, after an internal training organized by the Project's monitoring and evaluation specialist.

One of the first activities associated with the PMP was to establish internal and external reporting channels in order to ensure collection of data needed for the Project implementation and performance reporting. Internal reporting relies on direct insight of the Project Team into the majority of LG capacities. The external reporting will rely in future more on local and regional partners (local governments, CSOs, partner institutions, businesses, citizens) and assessments conducted by the Project's regional staff.

Reporting against targets will reflect progress of inter-municipal cooperation through data collected through participating local governments and the Project's clusters.

1.3. Activities in Year Two

Completion of the baseline assessment—The Project will complete its baseline assessment for the approved PMP indicators in five IMC clusters formed in Vojvodina, Central/Western and Southern Serbia.

Table 1: Dynamics of data collection for PMP reporting

		Sep-2011				Sep-2012				Sep-2013				Sep-2014				Sep-2015			
		FY 01			FY 02			FY 03			FY 04			FY 05							
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Dynamics of data collection, which require tailored and more complex methods																					
	Good Governance Matrix			B																	
	Investments and jobs			B				BF				BF			F					F	
	Public Private Partnerships			B				BF				BF			F					F	
	Citizens/customers survey				B	B			B											F	
	Budget operating surplus available for capital investments			B				B		B		BF			F					F	
Dynamics of data collection for performance-based indicators (semi-annual reporting)																					
	Clusters:																				
	South/South East 1			B		F		F		F		F		F		F		F		F	
	South/South East 2			B		F		F		F		F		F		F		F		F	
	South/South East 3				B			F		F		F		F		F		F		F	
	Vojvodina 1			B		F		F		F		F		F		F		F		F	
	Vojvodina 2				B			F		F		F		F		F		F		F	
	Vojvodina 3				B			F		F		F		F		F		F		F	
	Central/Western 1			B		F		F		F		F		F		F		F		F	
	Central/Western 2					B		F		F		F		F		F		F		F	
	Central/Western 3					B		F		F		F		F		F		F		F	
	TBD cluster 10								B			F		F		F		F		F	
	TBD cluster 11								B			F		F		F		F		F	
	TBD cluster 12								B			F		F		F		F		F	

B	-	baseline data collection
BF	-	baseline (in “new” clusters) and follow up (in “old” clusters)
F	-	follow up data collection

Good Governance Matrix –The Center for Free Elections and Democracy (CeSID) will complete the Good Governance Matrix (GGM) for 2011 and present its results on 6 local governments. According to the original plan and contract between the Project and CeSID, the results are one month late. As a result, the Project will assess its continued support for GGM through consultation with the Project COTR and new Director of the Democracy and Governance office. The decision will be based on an assessment of (1) CeSID’s success during 2011 in implementing the quality control recommendations provided by outside experts, (2) its performance in disseminating results, and (3) its efforts and progress in securing funding from other sources to contribute to future rounds of GGM assessments and the overall prospects for the GGM’s sustainability.

Investments, jobs, and public-private partnerships (PPPs)– Keeping track of investments and jobs will depend on the reporting capacity in participating clusters created by the Project team. To do that, the Project team will work with key partners to define the links between investment and job creation in the private sector and establish indicators to measure these links. It is expected that information about PPPs will be generated directly from the Project activities. The Project’s regional offices will collect both types of information. The baseline data will be collected as each cluster is defined, and follow-up reporting will be on annual basis.

Citizens/customer satisfaction survey – To measure the citizens satisfaction with their LGs, the Project will conduct baseline surveys in all clusters, no later than three months after the MoU is signed between the Project and a cluster-participating municipality.. During the final semester of its fifth year, the Project will conduct one follow-up survey. . During the FY 2011 the Project explored several options in terms of methodology for survey and operational mechanism, with a goal to maximize the use of this expensive effort. At the time of reporting, the Project had narrowed its options for conducting this survey, and in consultation with the Project’s COTR and the USAID Program office will be finalizing the methodology in October 2011. The effort will have two steps, as follows:

Step 1: Engage a professional research agency to design the methodology and conduct a baseline survey in the first four municipal clusters.

Advantages: This approach will help to ensure a sound methodology that will produce valid and verifiable results. In addition, the Project can use the baseline report to communicate the citizens’ satisfaction to LGs and help prioritize interventions. The Project can use and share the results with the UNOPS/PROGRES project for overlapping LGs in Southern and Central/Western¹.

Disadvantages: The Serbia Local Governments Reform Program (SLGRP) used this approach and found this type of survey is not very relevant for measuring impact of program interventions. This is because the survey is too sensitive to external factors, such as the overall political and socio-economic situation, and would not likely show any results that can be associated with the work done by the Project or its partners.

Step 2: *Establish an internship program* within the Sustainable Local Development Project and train interns/volunteers to conduct the survey in future.

This option will mean the Project will establish its own internship program, with selected students, graduates, and/or postgraduates who are interested in conducting this survey with the Project’s guidance and support from a short-term mentorship.

Advantages: By involving students the Project may be able to harness their enthusiasm for an educational opportunity where they may develop professional skills to apply in future career opportunities. In addition, it involves students and youth in the participatory processes. Other institutions have used this approach successfully.

Disadvantages: The Project will have to invest a large amount of time and money at the beginning to provide training and technical assistance before the research begins. In addition, the Project also

¹ The Program PROGRES (implemented by UNOPS in South and South West Serbia) conducted a similar survey in 2010.

would have to pay costs associated with outside mentorship. As the follow-on survey is in Year 5, there also is risk for attrition. There also will be additional management costs associated with logistics and administration. The potential lack of research expertise/experience among the students may present a risk of some methodological inconsistencies.

Quarterly progress reviews will be incorporated into overall Project quarterly strategic reviews. The reviews will present an example of using performance measurements in the internal project management processes. The first review is planned for December 2011.

Establishment of reporting mechanisms and the subsequent semi-annual and annual reporting on the status of the PMP will be an ongoing activity, involving the regional office staff, technical staff and component leaders, the Project's M&E specialist, and the information management assistant.

2. KEY CONCLUSIONS OF THE BASELINE ASSESSMENT

Baseline assessment of local governments consists of two parts – (1) municipal applications to participate in the Project and (2) field visits organized after the cluster formation took place.

In general, the baseline assessment confirmed the LG representatives' high expectations of their participation in the Sustainable Local Development in Serbia project. Three cluster leaders (cities of Nis, Novi Sad and Vranje) naturally demonstrated higher capacity if compared with the cluster members. Besides the size of their administrations and communities, there is a higher level of human resources to manage development processes. This comes as no surprise because all three cities were amongst the most active partners in the previous USAID project Municipal Economic Growth Activity (MEGA). Novi Pazar, as the leader of the first cluster in Central/Western Serbia, demonstrated limited capacities and is not envisaged as a strong leader by the other two cluster members – Sjenica and Tutin.

The majority of counterparts surveyed prefer practical, technical, and operational solutions to theoretical options and those based on political decisions. If we take the example of activities in the previous USAID projects (SLGRP and MEGA in particular), the most sustainable and successful mechanisms were Citizen Assistance Centers and Local Economic Development Offices. At the time of their establishment, these organizational units were new to Serbian municipalities and involved complex organizational structures, but they proved to be extremely practical and efficient. On the other hand, the theoretical concepts related to citizen participation had very limited success and, after SLGRP close out, were reduced to a few legal requirements.

Component 1 - Inter-municipal Cooperation: Inter-municipal cooperation is not a completely new concept in Serbia, but it is poorly utilized and with no significant successes. The baseline assessment, however, confirmed high motivation of local governments in Serbia to participate (the initial application process resulted with more than a 80 percent response rate from LGs, out of which all candidates for cluster lead cities responded). One of the reasons is the excellent reputation of the previous USAID-funded projects for local governments (MEGA, PPES, SLGRP, and CRDA). Throughout the application process LGs demonstrated motivation to cooperate with other neighboring LGs around common interests (usually regional project initiatives) and to exchange knowledge and experience.

The initial inter-municipal cooperation is organized around four municipal clusters (16 municipalities) and, at the time of reporting, the Project team proposed another four clusters with 13 municipalities, based on a competitive selection process. After the first MoUs signed in June and

July, the Project has helped to facilitate the formation of four working bodies, shortlist potential projects and activities of common interest, and hold the first trainings.

Component 2 – Local Government Administration: In the area of local administration capacity building, cluster leaders expressed willingness to share their own human resources and take a mentorship role in guiding smaller municipalities through different technical processes. Also, cluster leaders and members hope to get technical assistance from the Project, especially in the following areas:

- Project preparation and management – A majority of the partner local governments focused on project preparation in the last several years, but are not satisfied with the results. They see participation in the Project and inter-municipal cooperation as an opportunity to improve their processes for project prioritization, planning, and preparation.
- Financial and asset management – For the last decade, USAID has been the leading partner to the Serbian central and local governments, and invested significant efforts in improving municipal financial and asset management. The partner LGs have high expectations from the Project.
- Performance monitoring – Although politically sensitive, monitoring the performance of communal enterprises is another technical area of interest. The Project already expanded on basic methodologies with major input from international experts. Local consultants have been recruited and trained, while arrangements have been made with local counterparts for launching field activities in selected clusters.
- Human resources – One of the major problems in the reform processes of local governments are limitations in human resources. The lack of qualified and reform-minded staff (usually young) is somewhat neutralized with the establishment of new organizational units within the local government administrations (such as LED office, information center, citizen assistance center). However, the existing staff usually is not motivated to build their own skills through continued learning processes and professional development is organized only with initiative and resources of donor-funded programs.
- PPP concepts – Local leaders still view PPPs as a political threat rather than as a development opportunity. Entering a joint venture with a private partner represents a challenge for many reasons. Technical aspects of PPP concepts present less of a challenge than the ones related to the legal framework and communication with the public. The Project Team mapped several possible PPPs in the first four clusters.
- Investment attraction – Since the beginning of financial crisis in late 2008, there has been a significant drop of investors' interest to locate in Serbia. The existing businesses usually try to survive and do not have plans to expand. The LED capacities in the assessed LGs are mostly put in function of project preparation and coordination of donors' assistance, while little efforts are given to attracting investments.

Component 3 – Public Participation: In this area, the baseline assessment discovered very few mechanisms that work in practice. These mechanisms usually provide information, but do not provide two-way communication and participation of citizens or businesses in the decision-making processes. Although they are not common, there are a few examples of effective mechanisms for LGs communicating with the citizens. For example, Vranje and Novi Sad have established information offices (Info Center and Open Office, respectively) to provide everyday communication with citizens about communal issues. In addition, Leskovac and Novi Pazar have started the initiative "Skockaj budzet (in Serbian) / Put the budget in order" which is an excellent example of how to increase citizen participation in the budget planning process. Other decent examples are in larger communities, such as Vranje, where local communities ("mesna zajednica") take a role in getting

citizens' input, as well as in ex-MEGA municipalities where the local business community participates in some strategic planning processes. However, outside of these examples, there is a lack of communication mechanisms for participation of citizens and businesses in decision-making processes.

The Project Team will develop a baseline Public Participation profile for each partner LG involved in the Project. The assessments have already been completed for the first two clusters, and will be followed by assessments in the next seven clusters to be formed before the local elections.

Component 4 – Youth Development: In the first 16 partner municipalities, 12 have established youth offices, out of which four are functional (or they have one or more full-time employees). Only four municipalities have youth councils. More importantly, there is no standard approach to establishing these offices or councils or building their capacities. The Project is planning to launch several activities (some in cooperation with GIZ) to define and promote standards in youth development, starting from the structure and procedures within youth offices, to the competencies of youth workers.

Component 5 - Business Enabling Environment: The baseline assessment indicated a marked difference in LED Office capacities between municipalities which participated in USAID's previous MEGA Program and other municipalities. Furthermore, while LED Offices continue to exist, once established their focus has shifted from investment attraction to project preparation due to the economic crisis.

The Project Team has established a working relationship in the four clusters formed with Regional Chambers of Commerce, Economic Development Councils, and business leaders. In addition, subcontracts were executed with NALED for Business Friendly Certification (BFC) strengthening and the sub-national Out-of-the Maze campaign. There has been an increase in interest from smaller municipalities for participation in the BFC process. A subcontract was also executed with the Smart Collective for pilot projects to promote corporate social responsibility (CSR) concepts in two clusters. During September 2011, experts from the Berman Group conducted action planning workshops in the Vranje and Novi Sad Clusters.

In the coming period the Project will provide technical assistance to LGs, based on BFC recommendations in order to reach the standards set by the certification program. The Project also plans to initiate discussions with local EDC and/or regional chambers of commerce (RCoC) in two clusters to sponsor forums for representatives from the business community in order to prioritize one or two procedures to undergo "guillotine" style action by cluster local governments.

3. STATUS OF INDICATORS

3.1. USAID Indicator definitions

According to the Contract for the Sustainable Local Development Project, and additional consultations with USAID COTR, the M&E specialist, and representatives of the Mission's Economic Growth and Democracy and Governance offices, the Contractor is required to report against the following indicators on the USAID Mission level:

Targets related to

IR 1.3 Efforts of local stakeholders better integrated to improve area-based development

Indicator 1.3.1 Number of business friendly municipalities

Target: A total of 20 municipalities certified or recertified.

USAID has an interest in continuing to support the Business Friendly Certification Program both as a major business enabling initiative incubated by USAID under the previous MEGA project and as a major underpinning of NALED as a prospective legacy organization. For this reason, going forward, the Project should consider including in the target BFC (for USAID reporting purposes to D.C.) further BFC certifications country wide. In terms of M&E systems, this is an indicator that measures results of participating local governments by fulfilling a comprehensive set of standards, verified by an independent and nationally recognized institution.

Indicator 1.3.2 Number of major infrastructure inter-municipal projects fully prepared and listed in SLAP.

Target: Five (5) projects

A major infrastructure project is defined as "heavy investments (basic infrastructure, water and waste water systems, solid waste management, or road infrastructure)." It also includes business enabling infrastructure (brownfields, greenfields, power supply, and gas infrastructure). System for Local Authority investment Pipeline (SLAP) is the pipeline supported by the EU through the Standing Conference of Towns and Municipalities (SCTM) for identifying projects as fully prepared and ready for IPA financing and/or other sources. Once a project is in the pipeline and rated as prepared, the sponsor municipality has done all it can to ensure the project is ready. Actually financing it through IPA is then a political decision. This will be increasingly political as the GoS takes over from the EU the procurement of IPA projects. The data needed to apply the proposed SLAP measure is online on the database maintained by SCTM.

Sub IR 1.3.1 Increased efficiency in delivery of business related public services through inter-municipal and PPPs

Indicator 1.3.1.1 Number of public services in municipal clusters in support of business development. (proposed definition)

Target: 20 services

Definition: The indicator will measure those services that are developed or improved with Project assistance and through inter-municipal cooperation. Public services include, but are not limited to the following: support programs for business start-ups; SME development mechanisms in place; improvements in business related services/procedures; communal services, promotion of local economy funded through LG budgets; new services; and capacities in RDAs.

Indicator 1.3.1.2 Number of PPPs in delivery of public services

Target: 10 partnerships established

Definition: A Public-Private Partnership (PPP) is a cooperative venture between the public and private sectors that meets clearly defined public needs through an appropriate allocation of responsibilities, resources, risks and rewards among the partners. In accordance with the USAID Partnership Reporting System format for “Non-GDA Partner Contributions”, a PPP (for the purposes of reporting) must involve some measurable private partner contribution to the cooperative venture in terms of cash contributions, monetized in-kind contributions, and/or non-cash leverage.

Percentage of shared/investment risk as threshold for a Project-sponsored initiative to count as a PPP will be as follows:

- (1) Private partner(s) at least contribute 50 percent of the capital cost and/or annual operating cost for the activity through cash (including credits) or in-kind contributions, AND/OR
- (2) Project leverages private contributions of a value equivalent to 50 percent of capital cost or one year operating costs) AND/OR
- (3) Private partner(s) share at least 50 percent of the risk of capital cost overruns and/or operating deficits through guarantees or other contractual provisions.

Sub IR 1.3.2 Improved services and financial management of local governments

Indicator 1.3.2.1 Improvement in the municipal budget operating surplus available to fund capital investments as adjusted for any major regulatory change in transfers and shared taxes and adjusted by GDP growth or decline.

Target: 20 partner LGs realize an increase of 10 percent or more.

Method:

This calculation will rely on the database that the SCTM, with USAID assistance, obtained from the GoS Treasury last year; the database has detailed revenue and expenditure data to the sixth digit of the chart of accounts for each individual local government. The baseline and annual monitoring of increases will reflect the results for the prior years’ budget execution, typically available in the early spring.

For each partner municipality, the baseline will be calculated by adjusting the standard classifications to better distinguish operating from capital revenues and expenditures. For example, land lease income is classified for official purposes as an “operating” revenue, but in fact is almost always “capital” revenue, since the lease payment is typically made in a lump sum at the beginning of the lease term. This calculation also will be made on the basis of “gross” operating surplus (i.e. excluding debt service) rather than net, since this best reflects the municipality’s ability to fund capital investments from the budget.

In subsequent years we will calculate the percentage increase (or decrease) in this gross operating surplus figure with the baseline amount as the denominator and the last complete budget year gross operating surplus as the numerator. The portion of the numerator attributable to central government transfers and shared taxes will be subject to three adjustments prior to calculating the percentage change:

- a) The denominator will be adjusted upward to take into account inflation that has occurred between the time of the baseline measure and the current year.
- b) The denominator will be adjusted upward or downward change based on the percentage change in the GDP compared to the baseline year.

- c) Additional adjustments based on any regulatory changes that impact the amounts of transfer and shared taxes received by the partner LGs.²

IR 2.1 Government Operations Improved

Sub IR: 2.1.1 Efficient, Transparent and Accountable Provision of Government Services Enhanced, with the following indicators:

Indicator 2.1.1.2 Number of municipalities where users report improvement in local government services

Definition: Number of municipalities where at least 50 percent of users/interviewees/focus group participants responded favourably to a question that address satisfaction with the quality of LG services. This indicator also will focus on addressing specific needs on businesses, youth, and under-represented groups (women, ethnic minorities, elderly).

Indicator 2.1.1.5 Number of partner municipalities implementing mechanisms to improve management practices, including performance-based monitoring system.

Definition: Municipalities that successfully completed the Project's capacity building program in areas identified from the list of tool kit elements (see below), and are implementing at least 50 percent of the tools they were trained on, including the PUC performance-based monitoring system.

Financial Tools

- Market-oriented asset management
- Property tax administration
- Municipal borrowing and debt management
- Revenue enhancement action planning
- Cost recovery pricing of services and utilities

Project Planning/Implementation Tools

- Project preparation and management
- Capital project finance
- Capital improvement planning
- Public-private partnerships

Good Governance Tools

- E-governance, including procurement
- PUC financial reporting and performance monitoring
- Professionalization of staff
- Tools to help mayors and local assemblies function more effectively, implementing mechanisms to improve asset management, budgeting, capital investment planning.

² The recent amendments to Law on Local Government Finance (doubling of the local government share of the personal income tax and creation of a new "solidarity" transfer fund, will complicate accurate comparisons between baseline operating surpluses and surpluses in future years. It also creates a disincentive for local efforts to increase own source revenues, a major dimension of increasing operating surpluses, which this indicator tries to capture.

3.2. Status of USAID Mission-level Indicators (Table 2):

USAID #	PMP #	USAID standard and custom indicators	Actual	Targets						
			Sept 2011	FY2011	FY2012	FY2013	FY2014	FY2015	LOP	
Indicators related to IR 1.3 – Efforts of local stakeholders better integrated to improve area-based development										
1.3.1	4	Number of business-friendly municipalities (cumulative figures)	0 (17)	2	-	12	-	20	20	<p>The Project defined an action plan with NALED to improve the Business Friendly Certification (BFC) program during this reporting period. This effort will be supported from the Project’s grant fund.</p> <p>In addition, the Project will use BFC as a diagnostic tool to identify gaps and provide targeted technical assistance (TA) to the participating municipalities to reach necessary standards for certification.</p> <p>As of September 2011, there are 17 local governments with BFC certificates in Serbia. During the next four years, the Project will provide TA to its partner LGs to be recertified or new partners to get their first certificates.</p>
1.3.2	5	Number of major infrastructure inter-municipal projects fully prepared and listed in SLAP	0	0	1	1	1	2	5	<p>The projects are yet to be determined. To date, between two and four potential projects per cluster have been identified. See the complete list in Annex A of this report.</p>
1.3.1.1	6	Number of public services in municipal clusters in support of business development	0	0	5	5	5	5	20	<p>During the reporting period the Project drafted a toolkit on SME loan funds, which, if successfully applied, will present a service in support of business development.</p> <p>The detailed scope of activities will be based on analysis of best practices, recommendations from the Out of the Maze campaign, BFC program, and PUC Performance Monitoring.</p>
1.3.1.2	7	Number of PPPs in delivery of public services	0	0	1	3	3	3	10	<p>The baseline assessment confirmed local governments’ interest to learn and apply PPP concepts, as well as identified ideas for potential projects:</p> <ul style="list-style-type: none">- development of broad band network in Novi Sad cluster;- Novi Sad’s PUC “Cistoca” (solid waste) and Beocin

USAID #	PMP #	USAID standard and custom indicators	Actual	Targets					LOP	
			Sept 2011	FY2011	FY2012	FY2013	FY2014	FY2015		
										cement factory; - Regional agribusiness center in Novi Pazar; - Solid waste management in Nis (pending a feasibility study's recommendations); and - Regional agriculture storage and distribution center "Green Zone" in Leskovac. During the reporting period, the Project developed a toolkit on IMC PPP concepts and a SME loan guide (which was PPP oriented). The Project also completed the draft of a manual for on PPP investments into infrastructure. The Project plans to use these resources to inform a post-election competition in establishing PPPs for purposes not anticipated in the initial major project priorities as stated in the cluster IMC agreements.
1.3.2.1	8	Number of municipalities with improvement in the municipal budget operating surplus available to fund capital investments (as adjusted for any major regulatory change in transfers and shared taxes and adjusted by GDP growth or decline)	0	0	0	4	8	8	20	Baseline data collected (see Annex B).
Indicators related to IR 2.1 – Government Operations Improved										
2.1.2.3	20	Number of partner municipalities implementing mechanisms to improve management practices, including a performance-based monitoring system	0	0	2	7	6	6	21	Initial training of trainers conducted for PUC monitoring (consultants, PUC management experts, KOMDEL Association of Communal Enterprises). In November 2011, the Project will issue a request for proposals on the following items: - Creation and maintenance of a sustainable, public databases on fees, charges, and the unit costs that local governments pay their utility companies for public services; - the development of tender documents and/or model contracts for the provision of general public services; and

USAID #	PMP #	USAID standard and custom indicators	Actual Sept 2011	Targets						
				FY2011	FY2012	FY2013	FY2014	FY2015	LOP	
										- the preparation and dissemination of analytical case studies on the reform or restructuring of local public services in Serbia, particularly those municipalities where they have privatized service delivery.
2.1.1.3	24	Number of municipalities where users report improvements in local government services	-	N/A	N/A	9	N/A	21	30	The Project plans to complete baseline assessments in for Clusters 1, 2, 3, and 4 in October 2011, and Clusters 5, 6, 7, 8, and 9 by February 2012. The project will contract a professional agency to design methodology and conduct the survey in four clusters. The survey in remaining clusters will be organized through an internship program within the Sustainable Local Development Project.

Optional USAID indicators (considered at the beginning of the Project but, in consultation with the USAID M&E Specialist in August 2011, dropped from the list of the Project indicators):

Indicator related to IR 2.2 – Civil Society Engagement in Public Life Increased										
2.2.1.4	31	Number of USG assisted CSOs that engage in advocacy and watchdog functions	0	0	10	10	10	10	40	
Indicators under Program Element 2.2.3 Local Government and Decentralization of the Good Governance Program Area										
Prog. Element 2.2.3	9	Number of sub-national governments receiving USG assistance to increase their annual own-source revenues (Number of municipalities participating in inter-municipal development partnerships)	0 (16)	15	15	7	0	0	37	This indicator is related to the same activity as the USAID indicator 1.3.2.1 (PMP #8), but will track only the number of local governments that participate in this activity. The baseline status of municipal budgets for 16 local governments is recorded (see Annex B) and will represent a starting point. Provision of technical assistance will start in the first quarter of FY 2012.
Prog. Element 2.2.3	10	Number of local mechanisms supported with USG assistance for citizens to engage their sub-national government	0	0	2	6	8	8	24	Local mechanisms might include a citizen hotline (or e-mail), visits to community meetings, open assembly meetings, etc. This indicator will measure directly the changes over the program duration in public participation enhancement mechanisms in local communities.

Indicators under Program Element 4.6.1 Business Enabling Environment

Prog. Element 4.6.1	11	Number of municipalities receiving USG assistance with regulatory and/or administrative simplification	0	2	16	12	0	0	30	<p>The Project will recommend one of the three project activities as a diagnostic tool:</p> <ul style="list-style-type: none"> - Business Friendly Certification - Out of the Maze campaign - PUC performance monitoring. <p>With a given timeframe of cluster formation, it is too early in the process to report any concrete action.</p>
Prog. Element 4.6.1	3	Number of institutions or organizations undertaking capacity and competency strengthening as a result of USG assistance	4	10	30	40	30	30	140	<p>CeSID (GGM), NALED (BFC and Out-of-the-Maze), Association of Communal Enterprises KOMDEL (PUC monitoring), SCTM (assistance to the SLAP team)</p>

3.3. Status of Project Activity Indicators

Table 3: Project Activity Indicators as of September 2011:

PMP #	Activity-level indicators	actual	targets						Comments on the baseline status
		Sep2011	FY2011	FY2012	FY2013	FY2014	FY2015	LOP	
1	Number of business-sector jobs created in participating municipalities	0	150	300	550	750	1000	2,750	The initial assessment in 16 municipalities that form the first group of 4 clusters showed that only a few local government administrations maintain good records on investment and job creation (Novi Sad, Vladicin Han, and Doljevac). In the coming years, the Project will work with municipal counterparts to establish a reporting system that will capture all activities related to investments into local economy and job creation.
2	Dollar value of increase in inflowing (domestic and foreign) investment	0	\$15M	\$30M	\$55M	\$75M	\$100M	\$275M	The official statistics do not offer figures on direct investments on the local government level in Serbia. Even on the central level, it is not possible to get disaggregated data by economic sector or municipality. The baseline assessments showed that local governments (LED offices in particular) do not regularly maintain data records on investments in the initial four clusters. One of the reasons is the low level of investors' interest and LED offices' focus towards project preparation activities as opposed to investment attraction and retention. The Project will train cluster leading partners (municipal LED offices, regional development agencies, business associations, NGOs) to track and report on investments on municipal, cluster, and consortium levels.
13	Number of municipal clusters formed	4	5	5	2	0	0	12	Four inter-municipal cooperation agreements were signed and clusters formed as follows: <ul style="list-style-type: none"> - S1- VRANJE, Bujanovac, Preševo, Vladičin Han (June 8, 2011) - V1- NOVI SAD, Sremski Karlovci, Beočin, Temerin (July 5, 2011) - S2- NIŠ, Leskovac, Doljevac, Gadžin Han (July 19, 2011) - C/W1- NOVI PAZAR, Sjenica, Tutin (July 21, 2011) The Project submitted to USAID a proposal for another four clusters in early September 2011. USAID has approved the Project proceeding to form a cluster centered on Subotica (tentative MoU signing date-October 21) and in Zrenjanin (by December 22). At present, USAID approval to proceed with the two recommended clusters for Central/Western Serbia is pending.

PMP #	Activity-level indicators	actual	targets					Comments on the baseline status	
		Sep2011	FY2011	FY2012	FY2013	FY2014	FY2015		LOP
14	Number of consortia established	-	0	3	1	0	0	4	The Project and USAID reached an agreement to de-emphasize the concept of consortium and focus on inter-municipal cooperation on the cluster level. The Project remains optimistic that, in some locations, opportunities will emerge for Consortia level activities once all clusters have been formed. To some extent, the stage is already set for this with the Nis/Vranje clusters which are contiguous and where several of the Nis cluster priorities will be extended to include Vranje cluster members as well (e.g. IMC Cooperation with the Leskovac Green Zone and the Nis initiatives to establish Economic Representational Offices in Brussels and Belgrade for the region, not just the City itself).
15	Number of cluster champions identified	0	3	7	2	0	0	12	With MoUs signed in June and July, it is too early to promote cluster champions. Within the initial four clusters, the main candidates are: <ul style="list-style-type: none">- The City of Nis (initiative to offer its newly opened office in Brussels as a shared resource for other cluster members),- The City of Leskovac with its project for a regional Green Zone,- The City of Novi Sad with planned investments into a broad band network and regional development agency SEDA in Novi Pazar.
16	Number of municipalities that continue LED activities in Year 4 and 5, as project steps back	-	N/A	N/A	N/A	30	30	30	This indicator of sustainability of inter-municipal cooperation will be used from 2014.
17	Number of inter-municipal projects leveraging the use of GoS, EU, or other donor funding	0	1	4	5	5	5	20	It is too soon to report any progress. However, the Project identified opportunities for IMC projects. The open call for EU cross-border cooperation projects presents another opportunity in Fall 2011.
18	Number of functions established within clusters and consortia that contribute to sustainable development	4	2	9	9	4	0	24	The following coordination working groups have been established: <ul style="list-style-type: none">- S1 (Vranje) – working group on industrial zones;- S1 (Vranje) – on protection of Juzna Morava river catchment;- S2 (Nis) – on Office in Brussels- V1 (Novi Sad) – on tourism.
19	Number of municipalities which applied revenue-enhancement diagnostic tool, and, based on diagnostic reports, developed Fiscal Performance Enhancement Action Plans.	0	2	4	7	7	0	20	At the time of reporting, a baseline analysis was being conducted for 16 local governments from the initial four clusters. To facilitate revenue enhancement, the Project is completing best practice guides to be used in the fall to motivate and inform local action planning.

PMP #	Activity-level indicators	actual	targets						Comments on the baseline status
		Sep2011	FY2011	FY2012	FY2013	FY2014	FY2015	LOP	
21	Voluntary Distance Learning Credentialing Program developed	0	0	1	0	0	0	1	Request for Applications is drafted and will be published in October 2011.
22	Number of prospective local government managers in the credentialing program	0	0	60	250	250	190	750	First results pending development of the credentialing program.
23	Number of graduated local government managers	0	0	0	12	50	88	150	Same as above.
25	Number of advocacy initiatives in support of improved legal/regulatory framework undertaken by SCTM, NALED, local governments, or other partner stakeholders	0	1	2	3	2	1	9	<p>In respect to input to specific laws, by-laws and regulations, Project experts assisted the Standing Conference in successfully influencing provisions of the by-laws for implementing the amended Law on Local Government finance. The Project also contributed comments to the public debate on the Draft Law on Concessions and PPPs/</p> <p>In addition, the following was accomplished:</p> <ul style="list-style-type: none"> - The Ministry of Environment, Mining, and Spatial Planning has invited the Project Policy/Legal Advisor to participate in drafting a by-law to the Amended Law on Planning and Construction that will regulate the contribution of municipal land to PPPs. - The Project sponsored a major NALED roundtable on the recently Amended Law on Planning and Construction at which Minister Dulic discussed the adequacy of by-laws of implementing the Law with LG and private sector representatives. - The Project offered support to SCTM in promoting some of the legislative issues at the SCTM's annual conference in December 2011. The ongoing Out of the Maze campaign, which is being conducted by NALED at the local level and financially supported from the Project's grant fund, will identify some of the obstacles in doing business and set of recommendations for improvements in local governments. - The Project is exploring cooperation with NALED to help a partner LG develop a model ordinance and procedure for implementing the controversial Law on Planning and Construction provisions for converting usage to ownership rights to privatized land.

PMP #	Activity-level indicators	actual	targets						Comments on the baseline status
		Sep2011	FY2011	FY2012	FY2013	FY2014	FY2015	LOP	
									<p>The Project is planning to organize a best practice conference on E-government in April 2012. Laws and by-laws that are expected to be on the agenda during the FY 2012:</p> <ul style="list-style-type: none">- Draft Strategy on Public Procurement (proponent MoF, public debate started in July 2011);- Draft Strategy on PUC’s restructuring (proponent MoERD);- Draft Law on PPPs and Concessions (proponent MoERD, public debate started in July 2011);- Draft Law on Communal Services (proponent MMESP)- Draft Law on Public Debt (proponent MoF);- Draft Law on Labour Relations in LG Administration (proponent MHRPALSG);- Law on Referendum and Public Initiative (proponent MHRPALSG)- Draft Law on Amending Law on Public Procurement (proponent MoF);- Draft By-law on Establishment of the PPP with LGs contribution in construction land as an equity to joint enterprise (proponent MMESP).
26	Number of development initiatives (policies, procedures, projects) based on input from citizens	0	0	10	10	8	8	36	<p>The baseline assessment showed there is a lack of LG initiative to mobilize the local community. The existing capacities provide information, but do not capture citizen needs and concerns. The general impression is that municipal officials and local CSOs believe they represent citizens’ interests and concerns adequately, but without communication mechanisms that will allow wider public to participate.</p>
27	Percent of citizens reporting increase in local government transparency		TBD						<p>In May 2011 the Project engaged CeSID to conduct the survey for Good Governance Matrix in seven Serbian municipalities. Prior to the survey, the Project provided TA through a US-based M&E expert from Chemonics, followed by TA from the Project’s M&E Specialist. After CeSID had several problems in different implementation stages, the report on the GGM survey was drafted with a month’s delay and just before the submission of the Annual AO and IR Report, giving little time for any conclusions.</p> <p>In any case, the Project will use the experiences and findings from</p>

PMP #	Activity-level indicators	actual	targets					Comments on the baseline status	
		Sep2011	FY2011	FY2012	FY2013	FY2014	FY2015		LOP
									GGM/CeSID and consider using elements of GGM in measuring citizen perception of LG transparency, through some of the following GGM indicators: <ul style="list-style-type: none">- Public institution is transparent about plans and results.- Public institution is transparent about its procurement plans and actions (under Open Entry/Competition dimension);- Institution recruits employees in a transparent manner, and- Transparent budgets (under Management dimension). The Project will propose a final definition of the indicator on LG transparency and annual targets during October 2011.
28	Number of initiatives undertaken by officials to dialogue with the public	0	0	10	20	14	14	58	The baseline assessment showed very few public participation mechanism, summarized in the table below:

City/municipality	Basic citizen participation mechanisms (pub. hearings)	Other cit. participation mechanisms	Business sector participation	Youth office formally exists	Youth office functional	Youth council
Vranje	yes		basic	yes	-	yes
Bujanovac	-	-	basic	yes	yes	-
Presevo	-	-	-	yes	-	-
Vladicin Han	-	-	-	yes	-	-
Novi Sad	yes	-	yes	yes	yes	yes
Sremski Karlovci	yes	-	-	yes	-	-
Beocin	-	-	-	-	-	-
Temerin	yes	-	-	yes	-	-
Nis	yes	-	yes	yes	yes	yes
Leskovac	yes	yes, some	yes	yes	yes	yes
Doljevac	yes	-	basic	-	-	-
Gadzin Han	-	-	-	-	-	-
Merosina	yes	-	-	-	-	-
Novi Pazar	yes	yes, some	basic	yes	-	-
Sjenica	-	-	-	yes	-	-
Tutin	yes	-	basic	yes	-	-
Total:	11	0 (2 basic)	3 (and 5 basic)	12	4	4

PMP #	Activity-level indicators	actual	targets						Comments on the baseline status
		Sep2011	FY2011	FY2012	FY2013	FY2014	FY2015	LOP	
29	Number of locally elected and appointed officials, CSO members, media, and the business community trained	103	150	400	300	150	0	1,000	6 trainings with 105 participants (46 female participants)
30	Number of LGs with mechanisms for public participation in the budget drafting process	0	0	5	5	5	5	20	The baseline assessment proved LGs declining interest to improve the existing mechanisms for public participation in the budget drafting process. It is usually organized to meet basic legal requirements. See the table under indicator #28 for the current status.
32	Number of LGs that either implement or otherwise address NGO watchdog recommendations	0	0	3	8	8	5	24	In the FY 2012 Q2, the Project will develop an RFA to identify one CSO per cluster to serve as the focal point for the Project's implementation of activities aimed at informing citizens, soliciting their inputs, and monitoring impact of citizens' initiatives on decision makers.
33	Number of municipalities where at least one project is implemented, taking into account or supporting participation of under-represented groups (primarily women, youth and ethnic minorities)	0	0	9	5	5	5	24	In FY 2012, the Project will consult with USAID to initiate activities designed to promote the participation of women and youth at the local level in upcoming elections. These activities will fit within USAID's overall pre-election strategy and will be supported through grants to CSOs issued in the first quarter of FY 2012. In preparation for this activity, we have already initiated discussions with NDI, IRI, and ISC to ensure coordination.
34	Number of youth enrolled in project-supported educational programs	0	0	100	200	300	200	800	Baseline assessment findings can be summarized as follows: <ul style="list-style-type: none"> - Various ad hoc initiatives exist on the municipal level, but there are no initiatives on inter-municipal level; - Besides the National Employment Service's programs, others are not structured enough and lack coordination mechanisms (the focus is usually on developing youth employment strategies, without strong implementation plans); - Youth entrepreneurship activities usually do not go beyond the projects' frameworks, and there is a need to connect them with public outreach; - Youth office employees have a variety of competencies. One of the Project's plans is to help YOs develop a standard approach in recruiting and certifying the staff with adequate competencies (in cooperation with the National Association of the Youth Workers).
35	Number of youth undertaking internships with business and local government. (Joint effort of Program Components 4 and 5)	0	0	30	60	90	60	250	
36	Number of youth that get a job or start own business within 6 months of completion of the educational programs. (Joint effort of Program Components 4 and 5)	0	0	40	130	170	160	500	

PMP #	Activity-level indicators	actual	targets					Comments on the baseline status
		Sep2011	FY2011	FY2012	FY2013	FY2014	FY2015	
37	Number of improvements in achieving BFC standards as a result of the Program intervention	0	0	8	12	12	5	37 As mentioned, the Project (LG Administration and Business Enabling components in particular) will provide technical assistance to LGs, based on BFC recommendations to reach the standards set by the certification program. Two existing or prospective Project partner LGs (Novi Sad, Beocin are in the BFC process now. NALED assessment reports are expected during the fall, at which time opportunities for Project support in addressing deficiencies will be identified.
38	Number of development projects based on input from businesses	0	0	8	8	8	10	36 Too early to report. The Project mapped project initiatives in the first four clusters. As part of the Novi Sad cluster formation process, the Mayor of Novi Sad offered the city Economic Development Council (chaired by a private business executive) a million Euros in the 2012 budget for them to program for improving the business enabling environment. It remains to be seen whether he will honor this commitment in the actual budgeting process.
39	NALED's Business Friendly Certification recognized by national and international institutions	0	0	1	0	0	0	1 The FY 2011 Work Plan for this activity sought international validation for NALED's BFC Program. However, as previously reported, NALED argued the need for the Alliance to revise and strengthen BFC procedures and their documentation prior to proceeding with bringing in outside organizations to validate the certification program. At the time of reporting, the Project subcontracted with NALED for a set of enhancements to the BFC process. NALED will in turn conduct a survey to assess the perceived value of international validation..
40	Corporate social responsibility initiatives supported	0	0	0	2	1	1	4 During Fall 2011, the Smart Collective (a Serbian firm) will have completed an assessment of overall CSR potentials (including focus groups), and will have identified at least four promising CSR project concepts within the three clusters (Vranje, Niš and Novi Sad).
41	Number of improvements made by local governments, based on Out of the Maze campaign recommendations	0	0	2	4	4	2	12 Through NALED, the pilot Out-of-the-Maze campaign at the sub-national level started in mid-August 2011 in the municipal cluster around the City of Nis. This initiative is an experiment in adapting this concept, (pioneered by NALED on a nation-wide basis in previous years) to the sub-national level.

ANNEX A: LIST OF POTENTIAL INTER-MUNICIPAL PROJECTS

Priority Projects Adopted by Inter-Municipal Cooperation Forums as Priorities for Further Assessment, Action Planning, and Initiation of Project Support, August-December 2011

Inter-municipal Cooperation (IMC) Area Vranje, Presevo, Bujanovac, and Vladicin Han
<ul style="list-style-type: none"> ✓ Protection of the South Morava River Basin, starting with a waste water treatment study, including possible IMC cooperation in effluent measurement and testing and possible pooled financing mechanisms for investment in waste water treatment facilities. Possible coordination with Corridor 10 construction in installing waste water trunk lines crossing the highway. (Vranje had EU West Balkan PPF for preparing a waste water treatment feasibility study, and may receive some loan financing support from KfW.) ✓ Join cooperation in development, improvement, and promotion of existing businesses and industrial zones within the area of inter-municipal cooperation within the new Vladicin Han industrial zone. Under consideration, development of coordinated investments in industrial zone access roads in conjunction with Corridor 10 construction. (Vladicin Han industrial zone has MISP support for a feasibility study now in progress.) <p>NOTE: At the request of the Mayor of Bujanovac, the Project will also assess whether it can contribute to move along planning for a regional land fill and transfer stations (which was been largely on hold since the EU MISP feasibility study).</p>
Inter-municipal Cooperation (IMC) Area Nis, Leskovac, Gadzin Han, Merosina, and Doljevac
<ul style="list-style-type: none"> ✓ IMC projects for solid waste management –Initially, coordination in studying content and quality of solid waste to inform decisions in best technologies for solid-waste disposal, processing, and recycling. This study would inform City of Nis decisions in respect to new regional landfill planning taking into consideration possible access to Leskovac regional land fill capacity. ✓ IMC in the Leskovac Green Zone--Processing, Storage and Distribution Agribusiness Center. This project has support from MEMSP for off-site infrastructure, EU Progres for Phase I on-site infrastructure, and USAID Ag-Biz for some feasibility studies. Sustainable local development project would engage neighboring municipalities in promotion of the zone and urban-rural supply linkages, and as needed contribute to feasibility and business planning of the real estate (business park) aspects of the Center itself. Also consideration of grant support for technical documentation telecommunication conduits. ✓ IMC projects for energy efficiency and renewable energy resources. ✓ Joint investment attraction and promotion through intermunicipal cooperation, initially featuring: <ul style="list-style-type: none"> - Presentation and promotion of projects and economic interests through Representational Office in Brussels. - Establishment of Representational Office in Belgrade for Serbia's South-East promotion of projects and economic interests. <p>NOTE: In addition, at the request of the Municipality of Doljevac the Project will consider supporting a study for extension of Nis water system service to neighboring municipalities, which could serve as a model for other cities in converting a city's water system to a regional</p>

supplier.
Inter-municipal Cooperation (IMC) Area Novi Pazar, Sjenica, and Tutin
<ul style="list-style-type: none"> ✓ Joint tourism development and promotion (of cultural/historical tourism attractions and outdoor/rural tourism opportunities in Pester highlands). ✓ IMC collaboration on water supply and waste water treatment. (Novi Pazar has some support from Government of Luxembourg in the water sector.) ✓ Development of renewable energy sources and energy efficiency improvement projects (initially building on experience of pilot wind energy PPP between Tutin and a Slovenian firm.) <p>NOTE: The project will also cooperate with SEDA on Agribusiness Center project, which will be implemented in all three communities, and which has promised support from EU Progres, the Czech government, and the GoS Minister without Portfolio.</p>
Inter-municipal Cooperation (IMC) Area Novi Sad, Sremski Karlovci, Temerin, Beocin
<ul style="list-style-type: none"> ✓ Joint development and promotion of tourist attractions (combining historical/cultural tourism in Novi Sad/Sremska Karlovci with Danube-oriented and Fushka Gora recreational opportunities and Salas/wine tourism in Temerin). ✓ Inter-municipal cooperation in the development, improvement, and promotion of existing businesses and industrial zones ✓ Assessment and possible development of infrastructure for fiber-optic communication network through PUC Informatika Novi Sad, with possible PPP component. ✓ IMC development of renewable energy sources and energy efficiency improvements

ANNEX B: BASELINE STATUS OF MUNICIPAL OPERATING BUDGET SURPLUSES

Gross Operating Surplus for 2010 - 16 Project participating local governments

000 RSD

No	Opstina / Grad	Total Operating Revenue	Total Operating Expenditures	Gross Operating Surplus
1	Bujanovac	562,327	419,076	143,251
2	Doljevac	204,950	180,694	24,256
3	Gadzin Han	126,615	101,778	24,837
4	Merosina	173,726	149,126	24,600
5	Presevo	473,744	491,314	(17,570)
6	Sjenica	317,898	309,848	8,050
7	Tutin	367,461	268,352	99,109
8	Vladicin Han	300,863	302,107	(1,244)
9	Beocin	344,956	316,912	28,044
10	Temerin	439,577	431,871	7,706
11	Sremski Karlovci	155,549	151,999	3,550
12	Leskovac	2,028,392	1,756,743	271,649
13	Nis	5,416,458	4,649,133	767,325
14	Novi Pazar	1,139,832	1,051,526	88,306
15	Vranje	1,278,977	1,111,106	167,871
16	Novi Sad	11,938,152	9,480,047	2,458,105